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MEXICO'S GREAT FINANCE MINISTER.

BY RAFAEL REYES, PRESIDENT OF THE UNITED STATES OF
COLOMBIA.

JOSE IVES LIMANTOUR, Minister of Finance of Mexico, is one of the ablest financiers in the world. By this we mean that he is not only the equal of the foremost statesmen of Europe and America, but in many instances he is superior to some of those financiers, when their respective plans and works are examined from the standpoint of efficacy and success in practice.

This statement is neither the natural outcome of that legitimate racial pride we are prone to feel whenever the sons of Spanish America succeed in outranking all others in any of the branches of human activity, nor yet is it one of those hyberboles of which we are so fond because of our atavic predisposition, since the same blood flows in our veins which gave life to the immortal hero of Cervantes.

Europe and the United States, even before Spanish America, have sung the praises of the enlightened and able collaborator of Porfirio Diaz, Mexico's great President, whose fame is world-wide. Tolstoi, the eminent Russian writer, has recently stated that he considers the regenerator of Mexico a genius.

That isolation of the countries of Spanish America among themselves in which they lived as Colonies first, and, later on, as independent nations, has not only been injurious to the effective union which should have existed among them from the day of their emancipation, in order to preserve their integrity, but has also been detrimental to their interchange of thought. The contemporary states of Spanish America are mutually unknown to each other. Only a few of their men are known outside of their own country, these being military men, revolutionists, reformers and men who have held the highest position in their respective

countries. Whereas financiers, for instance, and all such men as devote themselves with perseverance to successfully promote public welfare, those silent, constant workers who by the side of the Chief Executive solve the greatest administrative and political problems, and social, industrial and financial questions, are generally unknown beyond the boundaries of their respective countries. The same may be said of their literary men and artists.

This is, undoubtedly, a drawback to the brotherhood and development of countries having a common origin, speaking the same language, whose sociological conditions are more or less identical, which have the same problems to solve, and which could profit by the lessons taught them by experience, applying these lessons to a number of similar cases which have to be dealt with every day. These lessons might well be taught by them to more advanced countries, which have succeeded in establishing themselves on a solid basis.

With this object in view, and within the limits of an article, we shall endeavor to give a brief sketch of the work done by José Ives Limantour in Mexico. He is better known in Europe and in the United States than in South America, and is frequently quoted as an authority on financial matters. His reputation as a financier is equal to that of Rouvier, Harcourt, De Witte, Villaverde, and Magliani, foremost financiers of the Old World, whose names, far from being unknown, are household words. Limantour adds to a theoretical knowledge of the science of Leroy-Beaulieu the practical knowledge, the tact, the accurate judgment, which enable him to apply his theoretical knowledge in a fitting manner to bare facts so as to elicit their significance. He is the possessor, in a high degree, of the virtues which are lacking in the restless and turbulent Spanish-American mind, patience and constancy.

Limantour began to direct Mexico's finances under the most unfavorable circumstances. The national currency, the silver peso, had declined to 64 cents, while the exchange rose in proportion. The principal export article of the country being silver, it is easy to understand how deeply this financial depression affected its commercial value. These conditions were similar to those which are affecting Colombia at present, because of the fall in the price of coffee. Mexico's crisis was as critical as it was alarming. It was necessary to solve the monetary problem as well

as the problem of production. What was the destiny which the future held for Mexico? Should Mexico become an agricultural or a manufacturing country, or both agricultural and manufacturing at one and the same time? The solution of these vital problems fell to Mr. Matias Romero, one of the most eminent Mexicans, a companion of Juarez, and upon his Assistant Secretary, Mr. José Ives Limantour, who took charge of the finances of the Mexican Government in May, 1892.

Limantour was subsequently left in full control of the most important branch of the public service for twelve uninterrupted years, and the success of his work has been even beyond the high reputation that he enjoys at present as a financier. His work, we may well say, has been crowned with success and has indeed been a portentous one. It has been the result of untiring labor and the union, in a loyal and honest bond, of two superior minds devoted exclusively to the good and glory of their fatherland. These great minds are Porfirio Diaz and Limantour. The latter has understood and complemented the genius of his illustrious chief. During the last year Limantour has fittingly crowned his work, the financial regeneration of Mexico, with a series of acts the results and scope of which are not only favorable to his own country, but to all Spanish America as well.

We recommend thinking men, and especially statesmen, to study in this connection the work of Mr. P. Macedo, under the title of "*Tres Monografías*" (Three Monographs), the reading of which led us to write these lines. Among the most signal services of Limantour was the purchase by the State of railroads, in order to save the interests of commerce menaced, as they were, by high tariffs. For this purpose he had to disburse \$30,000,000 and contract a loan of \$40,000,000, under conditions as advantageous as those which might be granted to England, France and the United States. This is a feat without precedent in the financial history of Spanish America, being, besides, of immense importance for all its countries, as a most eloquent proof that they may obtain as good credit as that of any of the greatest Powers in the world. The most important task of Limantour, however, was the great reform brought about in the old monetary system, the depreciation of which we have shown above. A study of such intricate questions requires more than the space allowed by an article, and that is why we refer our readers to Mr. Macedo's work.

Mr. Limantour is not only a great financier, but also a man of classical and scholarly education; he is proficient in dead and foreign languages, speaking the latter as if they were his mother tongue; he is a jurist of remarkable ability, having made a profound study of comparative legislation. He is a worker of the school of Porfirio Diaz, that school where one works while the majority of men either sleep or amuse themselves. Notwithstanding the fact that he has inherited from his parents one of the largest fortunes in the country, he has been from his youth, and still continues to be,—now that he is in the plenitude of life and strength, not having yet reached his fiftieth year,—an indefatigable worker, of the kind that like to fight with their own weapons in the struggle for life.

To the school of Diaz and Limantour belong also their fellow countrymen Ramón Corral, the present Vice-President; Joaquín Casasus, a jurist, statesman, poet and famous Latin scholar; Luis Camacho, Fiscal Agent in London; Pablo Macedo, Alfredo Chavero, Sanchez Marmol, Fernando Pimentel y Creel, bankers; Sebastian de Mier, Minister to France, and many others whose names escape our recollection. But far above them all towers the personality of Porfirio Diaz, the illustrious statesman, who after many years of devoted and heroic services has succeeded in transforming his fatherland, which he found exhausted, impoverished and bleeding through civil war and brigandage, harassed by political anarchy, weakened by disorder, its territory curtailed, without credit abroad, its agriculture and industrial wealth in their cradle, and having an insignificant railroad mileage. At the present day, the railroad lines have a length of 20,000 kilometers. Mexico at that time presented the appearance of a splendid tropical forest devastated and consumed by fire. But as the earth gratefully receives, after the flames have scorched it, the seed that will fertilize it, so Mexico, after a series of great mistakes and faults, found its redemption in Porfirio Diaz, who, with a sure, just and firm hand, has weeded the land, preparing it to receive and properly develop the seed of civilization.

The example of Mexico is and should be a model to be copied by those Spanish-American nations which have not succeeded so far in solving in a stable and permanent manner the problem of public peace, which of necessity is linked to the economic and

financial problem. The truths contained in both of these assertions are correlative, viz.: "Give me a sound policy, and I will give you sound finances;" or "Give me sound finances, and I will give you a sound policy." The goal, the main ideal, of the Chief Executives of the Spanish-American states should be the preservation of peace. Political disturbances which ultimately degenerate into armed revolutions prevent the development and growth of those social organisms which are called upon to play such an important rôle in the destinies of humanity. President Diaz's work is not the work of an ordinary soldier, as claimed by the extreme radicals and the flashy rhetoric of inveterate agitators. On the contrary, it is preeminently a work of civilization and progress, based upon justice, and staunchly maintained by a large group of distinguished men who will continue it the day Porfirio Diaz ceases to be President. Such is the conviction held in the political and financial centres of Europe and the United States. Otherwise, they would not have made the loan of \$40,000,000, knowing that Porfirio Diaz is seventy-five years old.

Credit is the surest barometer to measure the degree of responsibility and solidity of nations. For this reason, all countries, with the exception of those eagerly engaged in the sport of civil wars, endeavor to maintain their national credit as zealously as their national honor.

It was thus understood by the author of this article; and that explains why, in the midst of the greatest economical and financial crisis ever experienced in Colombia during that country's hazardous and restless independent life, the Government over which he presides reassumed, and guaranteed for five years, the payment of the overdue interest on the Colombian Foreign Debt, which had been in arrears for over twenty years. This was accomplished by him in his capacity as President of the Republic, using the country's own resources, without having had recourse to credit, as credit, before being used, should be established on a sound basis of order, good administration and an honest financial policy.

As in the case of Mexico, credit will come in due course, because credit, like all other moral agents, cannot be suddenly or violently established, but must be attained through a continued orderly and intelligent exercise of the national virtues called honesty, application, faithful discharge of contracted obligations, respect

for the pledged word of the nation through its government, and, above all, justice.

But, as in the case of Mexico, which, after long years of civil wars resulting in such a state of anarchy that it even appealed to a foreign ruler and lost for a time a portion of the country's territory, was able to crown last year its financial regeneration, while its political regeneration was accomplished some time ago, so Colombia must expect to attain, in some future day, the goal toward which the country now earnestly strives. We have a right to expect it, as the work which the author of this article has undertaken, as President of Colombia since August 7th, 1904, is neither solely his own work, nor yet that of any political party, but the work of all Colombians who, tired of fratricidal wars, having before their eyes the lesson of the dismemberment of the fatherland, have had the good sense and the civil courage to break away from the nefarious traditions of party hatred, in order to unite all in aiding in the reconstruction of the home country. We must, however, have both faith and constancy. We must be convinced that such high ends cannot be attained in a day, and that social as well as individual organisms must perforce go through a critical period before entering into the full and free use of their powers. The era of empty wordiness is gone forever, and it is necessary to teach the young generation this maxim of Challemeil-Lacour: "*Agir, c'est le complement de penser.*"

RAFAEL REYES.